

HOUSE BILL No. 1189

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-5-7; IC 9-27-4-5.5; IC 12-21-2-3; IC 14-21-1-18.5; IC 20-1; IC 20-12.

Synopsis: Commission for higher education changes. Amends the Indiana law concerning the commission for higher education. Provides that the general purposes of the commission are to make recommendations regarding a plan for and coordination of Indiana's state supported system of postsecondary education and regarding appropriations for postsecondary education. Specifies that the commission is not a policymaking authority. Provides that a commission member who attends a meeting that is not held in compliance with Indiana's open meeting law is not eligible for reimbursement of expenses, per diem, lodging, or mileage for the remainder of the member's term. Provides that a commission member who has lost eligibility for reimbursement and attends a second meeting that is not held in compliance with the open meeting law will be immediately removed as a member. Requires that the commission's long range plan for postsecondary education in Indiana conform to the educational missions of the state educational institutions. Specifies that the commission may review publicly funded programs and expenditures of public funding. Removes the commission's authority to approve or disapprove the expansion or establishment of new campuses and programs. Makes conforming amendments.

Effective: July 1, 2001.

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January 9, 2001, read first time and referred to Committee on Education.



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First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

HOUSE BILL No. 1189

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-3.1-5-7 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 7. (a) To carry out the
3 purposes of this chapter, the state corporation shall be formed under
4 IC 23-1. The articles of incorporation of the state corporation shall
5 comply with the provisions set forth in subsections (b) through (i).
6 (b) The purpose of the state corporation shall be solely to raise funds
7 which shall be used to make investments in qualified entities described
8 in subsection (d) and to:
9 (1) provide financing to Indiana business firms described in
10 subsection (e) in a manner that will encourage capital investment
11 in Indiana;
12 (2) encourage the establishment or expansion of business and
13 industry in Indiana;
14 (3) provide additional jobs within Indiana; and
15 (4) encourage research and development activities.
16 (c) The directors need not be shareholders in the state corporation,
17 and there shall be not less than three (3) nor more than seven (7)



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1 directors, three (3) of whom shall be persons who have been nominated
2 to be directors by the lieutenant governor.

3 (d) The state corporation may purchase new stock in a corporation
4 organized under IC 23-1, a new partnership interest in a limited
5 partnership, or a membership interest in a limited liability company
6 organized under IC 23-18 that has its principal office located in Indiana
7 if the corporation, partnership, or limited liability company:

8 (1) has received a license or a statement of intent to license as a
9 small business investment company from the Small Business
10 Administration of the United States under the Small Business
11 Investment Act of 1958, as amended; and

12 (2) is organized and operated solely for the purpose of performing
13 the functions and conducting the activities contemplated by the
14 Small Business Investment Act of 1958, as amended.

15 (e) The state corporation may provide financing to entities doing
16 business primarily in Indiana, including but not limited to minority
17 businesses, corporations, limited liability companies, and partnerships,
18 to be used solely for the purpose of enhancing the production capacity
19 of the entity or the ability of the entity to do business in Indiana. The
20 financing may include any combination of equity investments, loans,
21 guarantees, and commitments for financing, and the amount of
22 financing is unlimited.

23 (f) The state corporation may borrow from the industrial
24 development fund created by IC 4-4-8-2.

25 (g) No business shall be transacted or indebtedness incurred, except
26 such as shall be incidental to the state corporation's organization or to
27 obtaining subscriptions to or payment for its shares, until consideration
28 for such shares equal to at least two million dollars (\$2,000,000) shall
29 have been paid in, which amount paid in shall be the initial stated
30 capital of the state corporation.

31 (h) Not less than five percent (5%) of the net income of the state
32 corporation for federal income tax purposes shall be contributed to
33 state universities to be used by the universities for research for the
34 purpose of developing business and industry in the state of Indiana.

35 **Recommendations of the commission for higher education shall be**
36 **considered in determining** the allocation of funds among the
37 universities. ~~shall be directed by the commission for higher education,~~
38 ~~which shall determine the universities and the amounts in its discretion.~~

39 (i) The name of the state corporation shall be "Corporation for
40 Innovation Development".

41 SECTION 2. IC 9-27-4-5.5 IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 5.5. (a) To receive an

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instructor's license under subsection ~~(d)~~; **(c)**, an individual must complete at least sixty (60) semester hours at a college. The individual must complete at least twelve (12) semester hours in driver education courses, of which three (3) semester hours must consist of supervised student teaching experience under the direction of an individual who has:

- (1) a driver and traffic safety education endorsement issued by the professional standards board established by IC 20-1-1.4; and
- (2) at least five (5) years of teaching experience in driver education.

(b) The three (3) semester hours of supervised student teaching experience required under subsection (a) may only be undertaken by an individual who will be at least twenty-one (21) years of age upon completion and may only be performed at a high school, a commercial driving school, or the college providing the courses for the individual to become an instructor. The remaining nine (9) hours of driver education courses required under subsection (a) must include a combination of theoretical and behind-the-wheel instruction that is consistent with nationally accepted standards in traffic safety.

~~(c) The driver education semester hours required under subsection (a) do not satisfy the requirements of subsection (d) or (e) unless the driver education curriculum is approved by the commission for higher education.~~

~~(d)~~ **(c)** The bureau shall issue an instructor's license to an individual who satisfies all of the following:

- (1) The individual meets the requirements of subsection (a).
- (2) The individual does not have more than the maximum number of points for violating traffic laws specified by the bureau by rules adopted under IC 4-22-2.
- (3) The individual has a good moral character, physical condition, knowledge of the rules of the road, and work history. The bureau shall adopt rules under IC 4-22-2 that specify the requirements, including requirements about criminal convictions, necessary to satisfy the conditions of this subdivision.

~~(e)~~ **(d)** The bureau shall issue an instructor's license to an individual who:

- (1) during 1995, held an instructor's license;
- (2) meets the requirements of subsection ~~(d)~~ **(2)** ~~(c)~~ **(2)** and ~~(d)~~ **(3)**; and
- (3) completes the twelve (12) semester hours of driver education courses required under subsection (a) not later than July 1, 1999.

However, an individual who has acted as an instructor for at least two

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(2) years before January 1, 1996, is not required to complete the requirements of subdivision (3) in order to receive an instructor's license under this subsection.

~~(f)~~ (e) The bureau shall issue an instructor's license to an individual who:

(1) holds a driver and traffic safety education endorsement issued by the professional standards board established under IC 20-1-1.4; and

(2) meets the requirements of subsection ~~(d)(2)~~ (c)(2) and ~~(d)(3)~~ (c)(3).

~~(g)~~ (f) Only an individual who holds an instructor's license issued by the bureau under subsection (c), (d), or (e) ~~or (f)~~ may act as an instructor.

SECTION 3. IC 12-21-2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3. (a) In addition to the general authority granted to the director under IC 12-8-8, the director shall do the following:

(1) Organize the division, create the appropriate personnel positions, and employ personnel necessary to discharge the statutory duties and powers of the division or a bureau of the division.

(2) Subject to the approval of the state personnel department, establish personnel qualifications for all deputy directors, assistant directors, bureau heads, and superintendents.

(3) Subject to the approval of the budget director and the governor, establish the compensation of all deputy directors, assistant directors, bureau heads, and superintendents.

(4) Study the entire problem of mental health, mental illness, and addictions existing in Indiana.

(5) Adopt rules under IC 4-22-2 for the following:

(A) Standards for the operation of private institutions that are licensed under IC 12-25 for the diagnosis, treatment, and care of individuals with psychiatric disorders, addictions, or other abnormal mental conditions.

(B) Licensing supervised group living facilities described in IC 12-22-2-3 for individuals who are mentally ill.

(C) Certifying community residential programs described in IC 12-22-2-3 for individuals who are mentally ill.

(D) Certifying community mental health centers to operate in Indiana.

(6) Institute programs, in conjunction with an accredited college or university, and with the approval, if required by law, of the

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~~commission for higher education under IC 20-12-0.5~~, for the instruction of students of mental health and other related occupations. The programs may be designed to meet requirements for undergraduate and postgraduate degrees and to provide continuing education and research.

(7) Develop programs to educate the public in regard to the prevention, diagnosis, treatment, and care of all abnormal mental conditions.

(8) Make the facilities of the Larue D. Carter Memorial Hospital available for the instruction of medical students, student nurses, interns, and resident physicians under the supervision of the faculty of the Indiana University School of Medicine for use by the school in connection with research and instruction in psychiatric disorders.

(9) Institute a stipend program designed to improve the quality and quantity of staff that state institutions employ.

(10) Establish, supervise, and conduct community programs, either directly or by contract, for the diagnosis, treatment, and prevention of psychiatric disorders.

(11) Adopt rules under IC 4-22-2 concerning the records and data to be kept concerning individuals admitted to state institutions, community mental health centers, or managed care providers.

(12) Establish, maintain, and reallocate before July 1, 1996, one-third (1/3), and before January 1, 1998, the remaining two-thirds (2/3) of the following:

(A) long term care service settings; and

(B) state operated long term care inpatient beds;

designed to provide services for patients with long term psychiatric disorders as determined by the quadrennial actuarial study under IC 12-21-5-1.5(9). A proportional number of long term care service settings and inpatient beds must be located in an area that includes a consolidated city and its adjacent counties.

(13) Compile information and statistics concerning the ethnicity and gender of a program or service recipient.

(b) As used in this section, "long term care service setting" means the following:

(1) The anticipated duration of the patient's mental health setting is more than twelve (12) months.

(2) Twenty-four (24) hour supervision of the patient is available.

(3) A patient in the long term care service setting receives:

(A) active treatment if appropriate for a patient with a chronic and persistent mental disorder or chronic addictive disorder;

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(B) case management services from a state approved provider;
and

(C) maintenance of care under the direction of a physician.

(4) Crisis care is available.

(c) Funding for services under subsection (a)(12) shall be provided by the division through the reallocation of existing appropriations. The need of the patients is a priority for services. The division shall adopt rules to implement subsection (a)(12) before July 1, 1995.

SECTION 4. IC 14-21-1-18.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 18.5. When submitting its biennial budget request, a state college or university must:

(1) submit to the division of historic preservation and archeology of the department of natural resources a copy of any ten (10) year capital plan of the college or university that is required by the budget agency; ~~or the commission for higher education;~~ and

(2) identify the projects included in the capital plan that may involve the alteration or demolition of historic sites or structures.

SECTION 5. IC 20-1-18.5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 5. Notwithstanding any other law and after an institution is required to enter into a workforce partnership plan under this chapter, to:

(1) be eligible to receive federal and state funds for the institution's vocational and technical education program at the secondary level and postsecondary level;

(2) receive vocational and technical education program approval by

~~(A)~~ the Indiana state board of education for secondary level programs ~~and~~

~~(B) the commission for higher education for postsecondary level programs;~~

for any vocational and technical education programs requiring approval; and

(3) be eligible to complete the program review process by the commission for higher education for postsecondary level vocational and technical education programs;

an institution's workforce partnership plan must be approved by the Indiana commission on vocational and technical education of the department of workforce development.

SECTION 6. IC 20-1-20-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 10. (a) In addition to the duties set forth in section 9 of this chapter, the panel shall make recommendations concerning statewide technical proficiencies to the

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department. ~~and the commission for higher education.~~

(b) The board shall establish a curriculum based upon the recommendations under subsection (a).

(c) ~~The commission for higher education shall incorporate the recommended statewide technical proficiencies into the commission's standards for program approval in this regard.~~

SECTION 7. IC 20-12-0.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3. (a) The general purposes of the commission are the following:

(1) **Make recommendations to the governor and the general assembly regarding a plan for and coordinate coordination of** Indiana's state supported system of postsecondary education.

(2) ~~Review~~ **Make recommendations to the governor and the general assembly regarding** appropriation requests for postsecondary education.

(3) Make recommendations to the governor, budget agency, or the general assembly concerning postsecondary education.

(4) Perform other functions assigned by the governor or the general assembly, except those functions specifically assigned by law to the commission on vocational and technical education within the department of workforce development.

(b) The commission does not have policymaking authority.

SECTION 8. IC 20-12-0.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 6. (a) All appointments to the commission shall be for four (4) year terms, except:

(1) the student member who has a term of two (2) years; and

(2) the full-time faculty member who has a term of two (2) years.

(b) The governor shall promptly make appointments to fill vacancies for the duration of unexpired terms in the same manner as the original appointments.

(c) The term of a member begins on July 1 of the year of appointment and, **except as provided in subsection (d)**, continues until a successor has been appointed.

(d) A member who loses eligibility under section 7(c) of this chapter and subsequently attends a regular or special meeting that is not held in compliance with IC 5-14-1.5 shall immediately be removed as a member of the commission and a successor shall be appointed under subsection (b).

SECTION 9. IC 20-12-0.5-7, AS AMENDED BY P.L.136-1999, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 7. ~~Organization.~~ (a) The commission shall elect from its membership a chairman and vice-chairman, and other

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necessary officers.

(b) Members shall receive per diem, lodging, and mileage for attendance at regular or special meetings and shall be reimbursed for necessary expenses incurred on other official duties.

(c) **A member who attends a regular or special meeting that is not held in compliance with IC 5-14-1.5 is not eligible to receive per diem, lodging, mileage, or reimbursement under subsection (b) for the remainder of the member's term.**

SECTION 10. IC 20-12-0.5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 8. (a) The commission shall have the following powers and duties:

(1) To develop, continually keep current, and implement a long range plan for postsecondary education. In developing this plan, the commission shall take into account the plans and interests of the state private institutions, anticipated enrollments in state postsecondary institutions, financial needs of students and other factors pertinent to the quality of educational opportunity available to the citizens of Indiana. The plan shall ~~define~~ **conform** to the:

(A) educational missions **of the state educational institutions as determined by the state educational institutions;** and ~~the~~

(B) projected enrollments of the ~~various~~ state educational institutions.

(2) To consult with and make recommendations to the commission on vocational and technical education within the department of workforce development on all postsecondary vocational education programs. The commission shall biennially prepare a plan for implementing postsecondary vocational education programming after considering the long range state plan developed under IC 20-1-18.3-10. The commission shall submit this plan to the commission on vocational and technical education within the department of workforce development for its review and recommendations, and shall specifically report on how the plan addresses preparation for employment.

(3) To make recommendations to the general assembly and the governor concerning the long range plan, and prepare to submit drafts and proposed legislation needed to implement the plan. The commission may also make recommendations to the general assembly concerning the plan for postsecondary vocational education under subdivision (2).

(4) To review the legislative request budgets of all state educational institutions preceding each session of the general

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assembly and to make recommendations concerning appropriations ~~and bonding authorizations~~ to state educational institutions including public funds for financial aid to students by any state agency. The commission may review all **publicly funded** programs of any state educational institution ~~regardless of the source of funding~~; and may make recommendations to the governing board of the institution, the governor, and the general assembly concerning the funding and the disposition of the programs. In making this review, the commission may request and shall receive, in such form as may reasonably be required, from all state educational institutions, complete information concerning all receipts and all expenditures **of public funding**.

(5) To submit to the commission on vocational and technical education within the department of workforce development for its review under IC 20-1-18.3-15 the legislative budget requests **as** prepared by state educational institutions for state and federal funds for vocational education. These budget requests shall be prepared upon request of the budget director, shall cover the period determined by the budget director, and shall be made available to the commission within the department of workforce development before review by the budget committee.

(6) To make, or cause to be made, studies of the needs for various types of postsecondary education and to make recommendations to the general assembly and the governor concerning the organization of these programs. The commission shall make or cause to be made studies of the needs for various types of postsecondary vocational education and shall submit to the commission on vocational and technical education within the department of workforce development its findings in this regard.

(7) ~~To approve or disapprove the establishment of any new branches; regional or other campuses; or extension centers or of any new college or school; or the offering on any campus of any additional associate, baccalaureate, or graduate degree; or of any additional program of two (2) semesters; or their equivalent in duration; leading to a certificate or other indication of accomplishment. After March 29, 1971, no state educational institution shall establish any new branch, regional campus, or extension center or any new or additional academic college; or school; or offer any new degree or certificate as defined in this subdivision without the approval of the commission or without specific authorization by the general assembly. Any state educational institution may enter into contractual agreements with~~

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governmental units or with business and industry for specific programs to be wholly supported by the governmental unit or business and industry without the approval of the commission.

~~(8)~~ (7) If so designated by the governor or the general assembly, to serve as the agency for the purposes of receiving or administering funds available for postsecondary education programs, projects, and facilities for any of the acts of the United States Congress where the acts of Congress require the state to designate such an agency or commission. However, this subdivision does not provide for the designation of the commission by the governor as the recipient of funds which may be provided by acts of the United States Congress, received by an agency, a board, or a commission designated by the general assembly.

~~(9)~~ (8) To designate and employ an executive officer and necessary employees, to designate their titles, and to fix the compensation in terms of the employment.

~~(10)~~ (9) To appoint appropriate advisory committees composed of representatives of state educational institutions, representatives of private colleges and universities, students, faculty, and other qualified persons.

~~(11)~~ (10) To employ all powers properly incident to or connected with any of the foregoing purposes, powers, or duties, including the power to adopt rules.

~~(12)~~ (11) To develop a definition for and report biennially to the:

(A) general assembly;

(B) governor; and

(C) commission on vocational and technical education within the department of workforce development;

on attrition and persistence rates by students enrolled in state vocational education.

(b) Any state educational institution may enter into contractual agreements with governmental units or with business and industry for specific programs to be wholly supported by the governmental unit or business and industry without the approval of the commission.

SECTION 11. IC 20-12-1-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 10. (a) As used in this section, "requisite proficiency" means the satisfaction by a student of the standards approved by the workforce proficiency panel within the department of workforce development under subsection (d) to receive a postsecondary level certificate of achievement in a technical field.

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(b) As used in this section, "student" refers to a student who is enrolled in a state educational institution in a technical education program.

(c) As used in this section, "technical education program" means a postsecondary level technical education program:

(1) offered by a state educational institution; **and**

~~(2) approved by the commission for higher education under IC 20-12-0.5-8; and~~

~~(3) (2) of less than a baccalaureate degree.~~

(d) The workforce proficiency panel within the department of workforce development shall adopt for:

(1) statewide implementation by the 1994-95 school year; and

(2) each postsecondary level technical education program;

the standards for each certificate of achievement and the instrument or assessment by which a student is given the opportunity to demonstrate the requisite proficiency.

(e) The workforce proficiency panel within the department of workforce development, the state educational institutions, **and** the Indiana state board of education ~~and the commission for higher education~~ shall cooperate with each other to implement this section.

(f) The postsecondary level certificate of achievement assessment instruments must provide each student with the opportunity to demonstrate the requisite proficiency in the subject or skill area in an applied manner.

(g) This section may not be construed to require a state educational institution to offer opportunities for postsecondary level certificates of achievement for technical programs that the state educational institution does not offer.

(h) The Indiana commission on vocational and technical education within the department of workforce development shall do the following:

(1) Provide opportunities for adult learners to achieve a postsecondary level certificate of achievement.

(2) Adopt rules under IC 4-22-2 to implement this section in accordance with the recommendations of the workforce proficiency panel concerning standards for the certificates of achievement.

SECTION 12. IC 20-12-5.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 2. (a) In addition to projects authorized by the general assembly, the trustees of each higher education institution may engage in any of the following projects so long as there are funds available for the project and the project meets

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any of the applicable conditions:

(1) Each project to construct buildings or facilities of a cost greater than two hundred thousand dollars (\$200,000), or to purchase or lease-purchase land, buildings, or facilities the principal value of which exceeds one hundred thousand dollars (\$100,000), must be ~~reviewed by the commission for higher education and~~ approved by the governor upon recommendation of the budget agency. If any part of the cost of the project as specified in section 3 of this chapter is paid by state appropriated funds or by mandatory student fees assessed all students and if the project is to construct buildings or facilities of a cost greater than five hundred thousand dollars (\$500,000), or to purchase or lease-purchase land, buildings, or facilities the principal value of which exceeds three hundred thousand dollars (\$300,000), the project must also be approved by the general assembly. Nothing herein limits the trustees in supplementing projects approved by the general assembly from gifts or other available funds so long as approval for the expansion of projects is given by the governor on ~~review by the commission for higher education and~~ recommendation of the budget agency.

(2) Each repair and rehabilitation project must be ~~reviewed by the commission for higher education and~~ approved by the governor, on recommendation of the budget agency, if the cost of the project exceeds five hundred thousand dollars (\$500,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. If no part of the cost of the repair and rehabilitation project is paid by state appropriated funds or by mandatory student fees assessed all students, the ~~review and~~ approval requirements of this subdivision apply only if the project exceeds one million dollars (\$1,000,000).

(3) Each project to lease, other than a project to lease-purchase, a building or facility must be ~~reviewed by the commission for higher education and~~ approved by the governor, on recommendation of the budget agency, if the annual cost of the project exceeds fifty thousand dollars (\$50,000).

(b) The ~~review and~~ approval requirements of subsection (a)(1) do not apply to a project to construct buildings or facilities or to purchase or lease-purchase land, buildings, or facilities if the project involves the expansion or improvement of housing for students undertaken entirely by a fraternity or sorority at the state educational institution.

SECTION 13. IC 20-12-5.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 4. To pay the cost of a

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project authorized under this chapter, the following funds may be used:

(1) Any funds appropriated for the project by the current or any preceding general assembly, subject to allocation of the funds by the state budget agency, with approval of the governor.

(2) Any funds derived from the issuance and sale of bonds by the trustees of any of the higher education institutions, so long as the issuance of the bonds which are to be supported by mandatory student fees assessed all students has been approved by the general assembly for each applicable project.

(3) Any funds derived from earnings, farm and miscellaneous sales, or other receipts, so long as each project to construct buildings or facilities of a cost of greater than ninety thousand dollars (\$90,000) or each project to purchase or lease-purchase land, buildings or facilities the principal value of which exceeds fifty thousand dollars (\$50,000) is ~~reviewed by the commission for higher education~~ and approved by the governor, on recommendation of the budget agency.

(4) Any federal funds granted and allowed a higher education institution for a project to construct buildings or facilities, so long as each project of a cost of greater than ninety thousand dollars (\$90,000) or each project to purchase or lease-purchase land, buildings or facilities the principal value of which exceeds fifty thousand dollars (\$50,000) is ~~reviewed by the commission for higher education~~ and approved by the governor, on recommendation of the budget agency.

(5) Any available funds derived from gifts, bequests, devises, or from any other source not listed in provisions (1) through (4) of this section, so long as each project to construct buildings or facilities of a cost of greater than ninety thousand dollars (\$90,000) or each project to purchase or lease-purchase land, buildings or facilities the principal value of which exceeds fifty thousand dollars (\$50,000) is ~~reviewed by the commission for higher education~~ and approved by the governor, on recommendation of the budget agency.

SECTION 14. IC 20-12-5.5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 7. (a) As used in this section, "qualified energy savings project" means a facility alteration designed to reduce energy consumption costs or other operating costs, including the following:

(1) Providing insulation of the facility and systems within the facility.

(2) Installing or providing for window and door systems,



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including:

- (A) storm windows and storm doors;
- (B) caulking or weatherstripping;
- (C) multi-glazed windows and doors;
- (D) heat absorbing or heat reflective glazed and coated windows and doors;
- (E) additional glazing;
- (F) reduction in glass area; and
- (G) other modifications that reduce energy consumption.

(3) Installing automatic energy control systems.

(4) Modifying or replacing heating, ventilating, or air conditioning systems.

(5) Unless an increase in illumination is necessary to conform to Indiana laws or rules or local ordinances, modifying or replacing lighting fixtures to increase the energy efficiency of the lighting system without increasing the overall illumination of a facility.

(6) Providing for other energy conservation measures that reduce energy consumption or reduce operating costs.

(b) As used in this section, "qualified provider" means a person or business experienced in the design, implementation, and installation of energy and operational cost savings systems.

(c) As used in this section, "energy cost savings contract" means a contract between a higher education institution and a qualified provider for the implementation of at least one (1) qualified energy savings project and related measures.

(d) A higher education institution may undertake a qualified energy savings project as provided in this section. If the part of the qualified energy savings project related to real property improvements is greater than five hundred thousand dollars (\$500,000), the project must be reviewed by the commission for higher education and approved by the governor and the budget director on the recommendation of the budget committee. A qualified energy savings project does not require the prior approval of the general assembly, notwithstanding the source of payment for the project or bonds issued to fund the project.

(e) A higher education institution may submit a request for proposals to qualified providers for an energy cost savings contract and may enter into an energy cost savings contract with a qualified provider under this section. The contract must provide that all payments, except obligations on termination of the contract before its expiration, are to be made over time. The contract may provide that energy cost savings are guaranteed by the qualified provider to the extent necessary to make payments for the qualified energy savings project. A qualified

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provider shall provide a sufficient bond to the higher education institution for the installation and the faithful performance of all the measures included in the contract. The contract may also include contracts for building operation programs and maintenance and management or similar agreements with the qualified provider to reduce energy or operational costs.

(f) A request for proposals must include the following:

(1) The name and address of the higher education institution.

(2) The name, address, title, and phone number of a contact person.

(3) The date, time, and place where proposals must be received.

(4) Evaluation criteria for assessing the proposals.

(5) A reasonably functional description of the facilities to be covered by the request for proposals or the maximum dollar cost of the qualified energy savings project subject to the request for proposals, or both.

(6) Any other stipulations and clarifications the higher education institution may require.

(g) The higher education institution shall select the qualified provider and enter into an energy cost savings contract or contracts for a qualified energy savings project that best meets the needs of the higher education institution. The higher education institution shall provide public notice of the meeting at which it proposes to award an energy cost savings contract by publication one (1) time, at least ten (10) days in advance, in newspapers described in IC 4-1-5-1. The public notice must disclose the names of parties to the proposed energy cost savings contract and contain a reasonably functional description of the qualified energy savings project and the measures covered by the contract and project.

(h) After reviewing proposals submitted under this section, a higher education institution may enter into energy cost savings contracts with a qualified provider if the higher education institution reasonably expects that the cost of a qualified energy savings project recommended in the proposal would not exceed the amount to be saved in either energy or operational costs, or both, within the ten (10) year period following the date installation is complete if the recommendations in the proposal are followed. An energy cost savings contract may also include a guaranty from the qualified provider to the higher education institution that either the energy or operational cost savings, or both, will meet or exceed the cost of the energy cost savings projects not later than ten (10) years after the date installation is complete.

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(i) Energy cost and operational savings realized from a qualified energy savings project and an energy cost savings contract shall not reduce the amount of state appropriations otherwise available to the higher education institution.

SECTION 15. IC 20-12-19-1, AS AMENDED BY P.L.52-2000, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. (a) As used in this section, "state educational institution" has the meaning set forth in IC 20-12-0.5-1.

(b) This section applies to the following persons:

(1) A person who:

- (A) is a pupil at the Soldiers' and Sailors' Children's Home;
- (B) was admitted to the Soldiers' and Sailors' Children's Home because the person was related to a member of the armed forces of the United States;
- (C) is eligible to pay the resident tuition rate at the state educational institution the person will attend as determined by the institution; and
- (D) possesses the requisite academic qualifications.

(2) A person:

(A) whose mother or father:

- (i) served in the armed forces of the United States;
- (ii) received the Purple Heart decoration or was wounded as a result of enemy action; and
- (iii) received a discharge or separation from the armed forces other than a dishonorable discharge;

(B) who is eligible to pay the resident tuition rate at the state educational institution the person will attend as determined by the institution; and

(C) who possesses the requisite academic qualifications.

(3) A person:

(A) whose mother or father:

- (i) served before July 1, 1999, in the armed forces of the United States during any war or performed duty equally hazardous that was recognized by the award of a service or campaign medal of the United States;
- (ii) suffered a service connected death or disability as determined by the United States Department of Veterans Affairs; and
- (iii) received any discharge or separation from the armed forces other than a dishonorable discharge;

(B) who is eligible to pay the resident tuition rate at the state educational institution the person will attend, as determined by

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the institution; and

(C) who possesses the requisite academic qualifications.

(c) Beginning with the semester or term that begins in the fall of 2000, a person described in subsection (b) is entitled to enter, remain, and receive instruction in a state educational institution upon the same conditions, qualifications, and regulations prescribed for other applicants for admission to or scholars in the state educational institutions, without the payment of any tuition or mandatory fees for one hundred twenty-four (124) semester credit hours in the state educational institution. For purposes of this chapter, the **state student assistance commission (IC 20-12-21-4) for higher education of the state of Indiana** (~~IC 20-12-0.5-2~~) shall define mandatory fees. ~~in consultation with the state student assistance commission (IC 20-12-21-4).~~

(d) If an applicant:

(1) is permitted to matriculate in the state educational institution;

(2) shall qualify under this chapter; and

(3) shall have earned or been awarded a cash scholarship which is paid or payable to such institution, from whatsoever source;

the amount paid shall be applied to the credit of such applicant in the payment of incidental expenses of the applicant's attendance at the institution, and any balance, if the terms of the scholarship permit, shall be returned to such applicant.

(e) Determination of eligibility for higher education benefits authorized under this section is vested exclusively in the Indiana department of veterans' affairs. Any applicant for these benefits may make a written request for a determination of eligibility by the Indiana department of veterans' affairs. The director or deputy director of the department shall make a written determination of eligibility in response to each request. In determining the amount of an individual's benefit, the state student assistance commission shall consider other higher education financial assistance as provided in section 2 of this chapter.

(f) An appeal from an adverse determination shall be made in writing to the veterans' affairs commission not more than fifteen (15) working days following the applicant's receipt of the determination. A final order shall be made by a simple majority of the veterans' affairs commission not more than fifteen (15) days following receipt of the written appeal.

(g) A person who knowingly or intentionally submits a false or misleading application or other document under this section commits a Class A misdemeanor.

SECTION 16. IC 20-12-21-19 IS AMENDED TO READ AS



1 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 19. The commission for
2 higher education shall review the budget request of the commission and
3 make recommendations to the governor and the general assembly
4 concerning appropriations to the commission. In making the review the
5 commission for higher education may request and shall receive
6 complete information concerning all receipts and all expenditures of
7 **public funding** from the commission.

8 SECTION 17. IC 20-12-64-13 IS REPEALED [EFFECTIVE JULY
9 1, 2001].

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